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08/17/20  
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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U 338-E) for Approval of Its Clean  
Energy Optimization Pilot.

A.18-05-015

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) PETITION FOR  
MODIFICATION OF DECISION 19-04-010'S APPROVAL OF THE CLEAN ENERGY  
OPTIMIZATION PILOT**

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Dated: **August 17, 2020**

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**I.**

**INTRODUCTION**

Pursuant to Rule 16.4 of the Commission’s Rules of Practice and Procedure, Southern California Edison Company (SCE) submits this Petition for Modification (PFM) of Decision (D.) 19-04-010, *Decision Approving the Clean Energy Optimization Pilot and Adopting the Parties’ Joint Settlement Agreement* (CEOP Decision). The Parties to the Joint Settlement Agreement were SCE, the Public Advocates Office of the California Public Utilities Commission (Cal Advocates), Natural Resources Defense Council (NRDC), University of California (UC), and California State University (CSU) (collectively, the Settling Parties). In accordance with Rule 1.8(d), SCE confirms that representatives for the Settling Parties have authorized SCE to file this PFM on their behalf.

On May 1, 2019, the California Public Utilities Commission (Commission) approved D.19-04-010 which authorized the Clean Energy Optimization Pilot (CEOP or Pilot). The CEOP was designed to incentivize Pilot Participants to reduce greenhouse gas (GHG) emissions

through performance payments that are calculated based on electric and gas meters at the seven participating campuses. The Commission authorized \$20.4 million to cover the administration of the Pilot and potential performance payouts for the four-year term of the CEOP.

Consistent with Rule 16.4(d), although more than one year has elapsed since the issuance of the CEOP Decision, the events and circumstances that warrant the filing of this PFM could not have been anticipated such that the relief sought herein would have been appropriate before now. After issuance of the CEOP Decision in May 2019, SCE executed contracts with UC and CSU (collectively, the Pilot Participants) to begin the pilot in July 2019 and held the first Stakeholder Engagement Meeting in October 2019. The CEOP was proceeding as scheduled until developments related to an outbreak of the novel coronavirus COVID-19 impacted the State of California, leading to the Governor's declaration of a Statewide emergency on March 4, 2020. On March 19, 2020, Governor Newsom issued a statewide Stay-at-Home Order (Order).

**A. Pilot Participant Responses to Statewide Order and COVID-19**

In response to the Governor's declaration, the California Department of Health established guidelines for mass gatherings which accelerated the UC and CSU transitions from in-person operations to virtual instruction. On March 17, 2020, UC President Janet Napolitano issued a letter to the entire UC Community reinforcing "shelter-in-place" guidelines, which were to remain in effect for the UC Office of the President at least through April 7. UC students were sent home from dormitory facilities and all classes except for critical research were transitioned to on-line and off-campus. Over 50% of the UC classroom spaces in all education buildings were shut down for use and over 70% of the housing facilities were shut down. In April, UC extended its shelter-in-place order and on-line off-campus classes through the month of May. Although UC is still evaluating the Fall 2020 schedule, at this time, UC expects that most classes will be offered remotely, with the only on-campus activity limited to research and lab work that cannot be supported on-line.

Similarly, in response to the California Department of Health’s guidelines, in March, all CSU campus housing was depopulated, and all campus instruction was moved to virtual modes. Campus operations were also moved to virtual, with the exception of essential employees who maintained and monitored campus facilities in unoccupied modes of operation. In April, CSU transitioned entirely to virtual learning. In May, CSU Chancellor Tim White confirmed the decision to move CSU’s 23 campuses to primarily a virtual setting for the fall term and potentially the rest of the upcoming academic year “was driven by health and safety issues and student progress.”<sup>1</sup> In CSU’s view, the COVID pandemic and its impact on normal operations for the university system “is not a two-month problem or a six-month problem,”<sup>2</sup> and CSU is utilizing the California Pandemic Roadmap<sup>3</sup> for guidance to determine whether or when to return students to in-person courses or to re-open housing facilities.

**B. The Settling Parties Agreed to Support the Filing of a PFM to Accept Amended Settlement Terms Pursuant to COVID-19**

On May 8, 2020, the Settling Parties met to discuss the impacts of COVID-19 on UC and CSU facilities. The Settling Parties agreed that the changes in the use of campus facilities (non-normal operations) due to COVID-19 warranted changes to the baseline and performance period in the CEOP. Specifically, the Settling Parties agreed that the resultant change to campus load profiles was an unforeseen major disruption to the CEOP. The Settling Parties further agreed that absent any action by the Commission, the design of the CEOP could result in SCE paying the Pilot Participants performance payments substantially higher than expected and for measurable GHG emissions reductions that are not a direct result of campus interventions. Specifically, the Pilot Participants’ actions to shut down student housing and close the majority

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<sup>1</sup> See Ed Source, July 7, 2020, available at: <https://edsource.org/2020/csu-chancellor-says-system-could-go-virtual-for-entire-academic-year/635396>.

<sup>2</sup> *Id.*

<sup>3</sup> Available at: <https://www.gov.ca.gov/wp-content/uploads/2020/04/Update-on-California-Pandemic-Roadmap.pdf>.

of buildings previously used for in-person instruction has resulted in reduced usage at the meters. This reduced usage, if measured under the terms of the current CEOP, would reflect reduced GHG emissions. The CEOP was designed to measure the reduced GHG emissions that resulted through a variety of measures or initiatives (e.g., energy efficiency, behavioral/operation changes, electrification, and EVs) undertaken by each participating campus.

SCE had its consultant conduct an initial analysis that modeled potential performance payments if the Pilot Participants experienced zero usage for the remaining three months of Pilot Year 1 (i.e., April 2020 through June 2020) after student campuses and housing had been substantially closed. The analysis determined that zero usage for three months would skew the results for the Pilot Year 1 under the terms of the current CEOP pay-for-performance structure, and could potentially result in SCE paying the Pilot Participants performance payments totaling \$26 million for just one Pilot year. That amount would exceed the \$20.4 million dollar budget authorized for the four-year Pilot. The Settling Parties agreed that COVID-19 related campus closures will skew the results of the pilot if the CEOP is not paused, and that this result would frustrate the intent of the CEOP and would not be a prudent use of ratepayer funds. Therefore, the Settling Parties have agreed to the “Amended Settlement Terms Pursuant to COVID-19” (Amended Settlement Terms) as specified in Attachment A to this PFM. This PFM requests a change to Ordering Paragraph (OP) 1 of D.19-04-010 to approve the Amended Settlement Terms and one new OP. The proposed changes to D.19-04-010 are listed below.

Proposed text deletions are in bold and strikethrough ( <del>abcd</del> ) Proposed text additions are in bold and underlined ( <u>abcd</u> )	
OP 1	The Clean Energy Optimization Pilot is approved, as modified by the Settlement Agreement, <u><b>and by the Amended Settlement Terms Pursuant to COVID-19,</b></u> and this decision.
<u><b>New OP</b></u>	<u><b>SCE’s annual, mid-term, and final written reports to the Energy Division shall include evaluation of COVID-19 impacts on the Pilot, including any recommendations for future modifications based on the analyses performed of the COVID-19 impacts.</b></u>

## II.

### **SUMMARY OF AMENDED SETTLEMENT TERMS PURSUANT TO COVID-19**

The Amended Settlement Terms focus on five key amendments where the Settling Parties agreed to: (1) pause the CEOP and make partial payment for the first year of the Pilot (see Section II); (2) modify the performance payment method to a month-to-month comparison (see Section III); (3) identify parameters to define “normal operation” for the Pilot Participants (see Section IV); (4) include additional analyses to report on COVID-19 impacts on the pilot (see Section V); and (5) incorporate schedule adjustments and regulatory updates to account for any future delays to the administration of the CEOP (see Section VI). The Settling Parties agree that CEOP is an important Pilot and four Pilot years are necessary to fully understand the potential impacts of this Pilot. Therefore, as identified in the Amended Settlement Terms, the Settling Parties agree the Pilot should continue to include four years of operation, performance payments, evaluation, and reporting and Settling Parties understand, and further agree that a pause in CEOP will result in the Pilot taking longer than four calendar years to complete. The Settling Parties also agree that the evaluation process is an important aspect of CEOP and that the Amended Settlement Terms that incorporate analysis of the COVID-19 impacts will provide opportunities for additional insights to inform a future program.

## III.

### **THE AMENDED SETTLEMENT TERMS ARE REASONABLE, CONSISTENT WITH COMMISSION POLICY, AND IN THE PUBLIC INTEREST**

With the issuance of D.19-04-010, OP 10, the Commission closed the CEOP proceeding, A.18-05-015. Although Rule 12 of the Commission’s Rules of Practice and Procedure applies to the Proposals of Settlements in open proceedings, the Settling Parties believe the Amended Settlement Terms also comply with Commission guidelines and relevant precedent for settlements thus supporting the request for the PFM to adopt these Amended Settlement Terms.

The general criteria for Commission approval of settlements are stated in Rule 12.1(d) as follows:

The Commission will not approve stipulations or settlements, whether contested or uncontested, unless the stipulation or settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

The Amended Settlement Terms meet the criteria for a settlement pursuant to Rule 12.1(d) as discussed below.

The Amended Settlement Terms are fair and reasonable in light of the record as described above in Section I.<sup>4</sup> The Amended Settlement Terms represent a reasonable compromise of the Settling Parties' positions based on a general agreement that the COVID-19 pandemic was an unforeseen disruption at the time of the original Settlement, and that the impacts of the pandemic will significantly skew the results that were expected under the original structure and payment design of Pilot.<sup>5</sup>

The Settling Parties believe that the Amended Settlement Terms comply with all applicable statutes and prior Commission decisions, and reasonable interpretations thereof.

The Amended Settlement Terms are in the public interest because they are "supported by parties that fairly represent the affected interests" at stake in this proceeding.<sup>6</sup>

Finally, the Amended Settlement Terms are in the public interest because they support the current intent of the CEOP as originally proposed and authorized by the Commission. Absent a Decision approving this PFM to D.19-04-010 to adopt these Amended Settlement Terms, the Settling Parties fear that the CEOP will not provide stakeholders an opportunity to learn about the effectiveness of Pilot Participants' on-site investments to incrementally reduce and accelerate the reduction of GHG emissions.

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<sup>4</sup> The Commission favors settlement of any disputes if they are fair and reasonable in light of the whole record. *See e.g.*, D.88-12-083 at p. 56 (*mimeo*), 30 CPUC 2d 189, 221-223; and D.91-05-029 at p. 42, 40 CPUC 2d, 301, 326.

<sup>5</sup> The Commission policy on settlements supports many worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results. *See* D.92-12-019 at p. 8 (*mimeo*), 46 CPUC 2d, 538, 553.

<sup>6</sup> *See* D.07-11-018, p. 6 [internal citation omitted].

Each portion of the Amended Settlement Terms is dependent upon the other portions of the Amended Settlement Terms. Changes to one portion of the Amended Settlement Terms would alter the balance of interests and the mutually agreed upon compromises and outcomes which are contained in the Amended Settlement Terms. As such, the Settling Parties request that the Commission grant this PFM as proposed and adopt the Amended Settlement Terms as a whole, as they are reasonable in light of the whole record, consistent with law, and in the public interest.

#### IV.

#### **CONCLUSION**

The Settling Parties agree that the proposed revisions to D.19-04-010 as listed in Section I.B. above are reasonable in light of the unforeseen and unprecedented impact of the COVID-19 pandemic and the State of California's response thereto, and if adopted, the Amended Settlement Terms would provide SCE the flexibility to ensure a successful implementation of the CEOP and a prudent use of ratepayer funds. SCE, on behalf of the Settling Parties, respectfully requests the Commission expeditiously approve this Petition for Modification.

Respectfully submitted,

ROBIN Z. MEIDHOF

*/s. Robin Z. Meidhof*

By: Robin Z. Meidhof

Attorney for  
SOUTHERN CALIFORNIA EDISON COMPANY

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Rosemead, California 91770  
Telephone: (626) 302-6054  
E-mail: Robin.Meidhof@sce.com

August 17, 2020



**Attachment A**

**Amended Settlement Terms Pursuant to COVID-19**

# **CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS PURSUANT TO COVID-19**

## **I. BACKGROUND**

On March 4, 2020, Governor Newsom declared a Statewide emergency due to an outbreak of a respiratory illness caused by COVID-19. As such, the California Department of Health established guidelines for mass gatherings which accelerated the University of California (UC) and California State University's (CSU) transition from in-person operations to virtual instruction. Also, the medical centers had to cancel all elective surgeries and medical procedures due to the uptake on COVID-19 caseloads.

On May 8, 2020, Southern California Edison (SCE) met with the Public Advocates Office of the California Public Utilities Commission (Cal Advocates), Natural Resources Defense Council (NRDC), UC and CSU (herein, the Settling Parties) to discuss the terms of the Clean Energy Optimization Pilot (CEOP or Pilot) Settlement and the impacts of COVID-19 on UC and CSU facilities.

The Settling Parties agreed that the changes in the use of campus facilities (non-normal operations) due to COVID-19 warranted changes to the baseline and performance period in the CEOP. These Amended Settlement Terms describe the agreed-upon changes. All prior Settlement terms not explicitly mentioned in this document will remain the same as they were approved by the Commission's Decision, D.19-04-010, issued May 1, 2019.

## **II. ADJUSTMENTS TO 2020 DUE TO COVID-19 IMPACTS**

### **A. Settling Parties agree to pause the CEOP effective April 1, 2020.**

The Settling Parties agree that COVID-19 has significantly impacted the campus performance that warrants a pause to the Pilot. Therefore, the Settling Parties agree that CEOP will be paused effective April 1, 2020 and the second year of the Pilot will resume once Normal Operations (as defined in Section IV below) have resumed.

### **B. Settling Parties agree to partial year payment for the first year of the Pilot.**

The Settling Parties agree that COVID-19 has significantly impacted the campus performance of final quarter of the first year of CEOP such that it warrants a revision to the payment method for the first pilot year. The Settling Parties agree that there is value in providing results and performance payments for the months that the Pilot was operating normally. Therefore, the Settling Parties agree to calculate and pay the first year of the Pilot 9-months of performance (from July 2019 through March 2020) as described in Section III below.

## **III. MODIFICATIONS TO THE PERFORMANCE PAYMENT METHOD**

### **A. Baseline and Performance Period**

The CEOP design, as adopted in D.19-04-010, had both the baseline and the performance period set as a year.<sup>1</sup> In light of the COVID-19 impacts in 2020, the performance payment method shall

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<sup>1</sup> A.18-05-015, Exhibit SCE-01, p. 26.

## CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS PURSUANT TO COVID-19

be refined to set the baseline and performance period as month to month comparisons (i.e. Jan-baseline to Jan-performance). The Pilot performance and performance payment shall continue to be calculated once per Pilot year. However, the analysis will be conducted on a monthly interval (i.e. Jan-baseline to Jan-performance) summed for the entire Pilot year.

### B. Pilot Year 1

The first performance year of the CEOP shall be shortened from 12-months to 9-months, from July 2019 to March 2020.

### C. Baseline and Performance Period Comparison

The CEOP pilot design, as adopted in D.19-04-010, compared the performance year to the baseline year (the year prior to the start of the CEOP or the lowest greenhouse gas (GHG) year to date). The revised comparison method will compare the performance to the baseline on a monthly basis during normal operations. For example, Performance Month #1 (i.e. Jul 2019) will be compared to Baseline Month #1 (i.e. Jul 2018). In addition to this change, the baseline month must be the lowest “Normal Operation” month to date (i.e. the Jul prior to the start of CEOP or the lowest Jan as of the calculation). Normal Operations will be determined by SCE as described in detail in Section III below.

The following table has an example of the revised baseline and performance period comparison on a month by month basis (assumes Jan 2021 restart date).

Pilot Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Performance Month	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	N/A	N/A	N/A
Baseline Month	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019			
Pilot Year 2												
Performance Month	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
Baseline Month	Jan 2020	Feb 2020	Mar 2020	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019

### D. Baseline and Performance Normalization

Weather and square footage normalization will continue to be conducted in the same way, as adopted in D.19-04-010, except done on a monthly period basis.

## **CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS PURSUANT TO COVID-19**

### **E. Optimal – Sub-Optimal Performance Modification**

The CEOP, as adopted in D.19-04-010, was designed to require incremental reductions in GHG emissions every year.<sup>2</sup> In cases where the Pilot Participant increases GHG emissions after a year of maintaining or reducing GHG emissions performance, pilot participant would go to the sub-optimal performance scenario and the performance payments earned were to be staggered with 50% paid upfront and 50% paid the following year if savings persisted. The modification to the first Pilot year (shortened to nine months) will make the year over year comparison inaccurate. Therefore, the sub-optimal scenario will be revised and defined as any year in which the comparisons between the performance month and the baseline month cumulatively results in a net increase in GHG emissions.

### **F. Performance Payment Verification Changes**

The CEOP design, as adopted in D.19-04-010, had the evaluation consultant conduct a verification of the performance payment calculations before the performance payments are to be issued. This performance payment verification will continue to occur and will follow the revisions to the Performance Payment Method as described herein.

## **IV. NORMAL OPERATION METRICS**

“Normal Operation” will be determined based on the following two metrics:

- (1) Governor lifts stay at home order for Stage 3 (higher risk workplaces) of the State’s Resilience Roadmap.<sup>3</sup>
- (2) Chancellor or President of the University system determines that facilities will be able to provide greater than 50 percent in-person instruction and operations. Both Pilot Participants must resume greater than 50 percent in-person instruction and operations for the Pilot to resume.

“Normal Operation Month” is defined as a month during which Normal Operation occurs. The Pilot will resume at the start of the first full month upon which all campuses participating in the Pilot have met the Normal Operation metric.

## **V. EVALUATION METHOD**

The evaluation will continue to follow the approach adopted in D.19-04-010,<sup>4</sup> but will include two new additional analyses. First, the evaluation shall evaluate and report any COVID-19 impacts on the Pilot and an analysis of the proposed modifications to inform future program design. The evaluation shall also include recommendations for modifications for future program

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<sup>2</sup> A.18-05-015, Exhibit SCE-01, p. 33.

<sup>3</sup> See <https://covid19.ca.gov/roadmap/#stage-3>.

<sup>4</sup> See e.g., Ordering Paragraphs (OP) 7 and 8.

## **CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS PURSUANT TO COVID-19**

design to insulate the Pilot against unforeseen circumstances such as the COVID-19 pandemic. Finally, the evaluation shall follow the modified schedule as described in Section VI below.

### **VI. CEOP SCHEDULE & REPORTING ADJUSTMENTS**

#### **A. Reporting**

The CEOP design, as adopted in D.19-04-010, required SCE to submit annual and mid-term reports to the Energy Division as a Tier 1 Advice Letter (see OP 7). Additionally, the CEOP as approved by D.19-04-010 requires SCE: (1) to submit its annual reports in the Second Quarter following each Pilot year; (2) to submit a mid-term report in the Second Quarter following the end of Pilot Year 2; and (3) to submit the final CEOP report as a Tier 2 Advice Letter (see OP 8) in the Second Quarter following performance Year 4 of the Pilot.

To account for the fact that the Pilot schedule will be paused, the deadlines to submit the annual, mid-term, and final CEOP reports will continue to be Second Quarter following the given Pilot Year, while accounting for adjustments as needed to coincide with the resumption of the Pilot. For example, if Pilot Year 2 becomes March 2021 to March 2022, the annual report would be submitted between four and six months after. For the first Pilot year of July 2019 through March 2020, SCE will submit its annual report no later than December 31, 2020.

#### **B. Term of Pilot**

The Settling Parties agree that CEOP is an important Pilot and four Pilot years are necessary to fully understand the potential impacts of this Pilot. Therefore, the Settling Parties agree the Pilot should continue to include four years of operation, performance payments, evaluation, and reporting and Settling Parties understand and agree that a pause in CEOP will result in the Pilot taking longer than four calendar years to complete.

#### **C. Stakeholder engagement**

The CEOP design, as adopted in D.19-04-010, envisioned stakeholder engagement meetings to be held semi-annually for the first year and quarterly thereafter. The first meeting was held in 4Q 2019. To account for the pause in Pilot in 2020, a stakeholder engagement meeting will be held during 3Q 2020, 4Q 2020, and quarterly thereafter.

#### **D. Additional Disruptions or Unforeseen Impacts to CEOP**

The Settling Parties agree that the COVID-19 pandemic presents a unique set of circumstances for this Pilot. The Settling Parties also agree that there may be additional disruptions or unforeseen impacts in the future that are on par with the changes seen at the CEOP participating campuses. While the Pilot design, as adopted in D.19-04-010, is able to handle modest fluctuations through the resetting baseline, there may be additional disruptions or unforeseen impacts that warrant additional modifications. In recognition of the substantial costs and regulatory uncertainty that can accompany Petitions for Modification or revised settlement agreements, the Settling Parties agree that in the event of another disruption or unforeseen

## **CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS PURSUANT TO COVID-19**

impact such as the one brought on by COVID-19, future modifications to the CEOP design and schedule are best addressed through a Tier 1 Advice Letter.

Specifically, in the event of any unforeseen impact or disruption (such as an additional shutdown due to a new outbreak of COVID-19), SCE shall submit a Tier 1 Advice Letter informing the Commission of a pause in the Pilot, proposed schedule changes, and any potential performance payment or calculation method changes. SCE shall work collaboratively with all Settling Parties before submitting that Advice Letter.

### **VII. REGULATORY APPROVAL**

The Settling Parties, by executing these Amended Settlement Terms, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of these Amended Settlement Terms. The Settling Parties agree to support SCE's filing of a Petition for Modification of D.19-04-010, in which SCE will seek approval of these Amended Settlement Terms. The Settling Parties understand and agree that these Amended Settlement Terms shall become effective on the mailing date of a final Commission Decision approving the Petition for Modification and accepting the Amended Settlement Terms as proposed (Settlement Effective Date).

**CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS  
PURSUANT TO COVID-19**

Executed this 12<sup>th</sup> day of August, 2020.

SETTLING PARTY: Southern California Edison Company

BY: \_\_\_\_\_

NAME: Jill C. Anderson

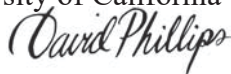
TITLE: Senior Vice President, Customer Service

**CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS  
PURSUANT TO COVID-19**

Executed this 12 day of August, 2020.

SETTLING PARTY: University of California Office of the President

BY:

  
\_\_\_\_\_

NAME:

David Phillips

TITLE:

Associate Vice President, Energy & Sustainability



**CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS  
PURSUANT TO COVID-19**

Executed this 13th day of August, 2020.

SETTLING PARTY: California State University

BY: Aaron Klemm  
Aaron Klemm (Aug 13, 2020 15:30 PDT)

NAME: Aaron Klemm

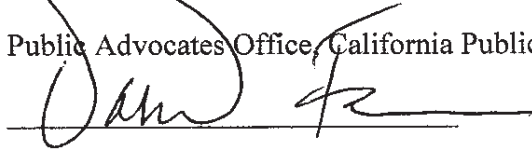
TITLE: Chief of Energy, Sustainability and Transportation,  
Office of the Chancellor

**CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS  
PURSUANT TO COVID-19**

Executed this 18<sup>th</sup> day of August, 2020.

SETTLING PARTY: Public Advocates Office, California Public Utilities Commission

BY:

A handwritten signature in black ink, appearing to read 'Darwin Farrar', is written over a horizontal line.

NAME:

Darwin Farrar

TITLE:



Chief Counsel

**CLEAN ENERGY OPTIMIZATION PILOT AMENDED SETTLEMENT TERMS  
PURSUANT TO COVID-19**

Executed this \_\_\_\_ day of August, 2020.

SETTLING PARTY:                      Natural Resources Defense Council

BY:

\_\_\_\_\_   Digitally signed by Mohit Chhabra  
DN: cn=Mohit Chhabra,  
email=mchhabra@nrdc.org  
Date: 2020.08.13 14:36:13 -07'00'

NAME:                                      Mohit Chhabra

TITLE:                                      Senior Scientist, Climate and Clean Energy Program

**Attachment B**

**Declarations in Support of the PFM**

**DECLARATION OF MICHAEL K. BUSHEY IN SUPPORT OF SOUTHERN  
CALIFORNIA EDISON COMPANY'S PETITION FOR MODIFICATION OF  
D.19-04-010**

I, Michael K. Bushey, declare and state:

1. I am the Director of Demand Side Management (DSM) Programs in the Customer Programs and Services Division at Southern California Edison Company (SCE).

2. I have worked for SCE for 29 years and in my current position, I am responsible for the program administration of SCE's DSM Programs, including the administration of the Clean Energy Optimization Pilot (CEOP) that was approved May 1, 2019, with the Commission's issuance of D.19-04-010, *Decision Approving the Clean Energy Optimization Pilot and Adopting the Parties' Joint Settlement Agreement*, in proceeding A.18-05-015.

3. I previously submitted testimony in support of SCE's Application seeking support of the CEOP in A.18-05-015 and I had responsibility for managing the preparation and review of the Amended Settlement Terms that are the basis for SCE's current petition for modification (PFM).

4. The impacts of COVID-19 were an unforeseen major disruption to CEOP. Absent any action by the Commission, the design of CEOP could result in SCE paying the Pilot Participants performance payments substantially higher than expected and improperly rewarding Pilot Participants for greenhouse gas (GHG) emissions reductions that they did not initiate or implement.

5. The CEOP's design, as adopted in D.19-04-010, accounted for certain changes from year to year by a resetting baseline, but did not account for dramatic changes as described in the PFM. It would not be a prudent use of ratepayer funds to reward Pilot Participants for GHG emissions reductions that are not a direct result of campus intervention.

6. On May 8, 2020, SCE met with the Settling Parties to discuss the impacts of COVID-19 on the University of California and California State University facilities and campuses. The Settling Parties agreed that the changes in the use of campus facilities (i.e., non-normal operations) due to COVID-19 warranted changes to the original Settlement as approved by D.19-04-010.

7. The Amended Settlement Terms propose to: (1) pause the pilot during the COVID-19 pandemic; (2) shorten the first pilot year to 9 months; (3) change the baseline and performance period to monthly intervals; (4) modify the baselines and performance period comparison; (5) change the baseline and performance normalization method; (6) define the optimal and sub-optimal performance scenarios; (7) update the performance payment verification process; (8) modify the evaluation analysis to include the impacts of COVID-19 on the pilot; and (9) adjust the schedule and reporting timelines.

8. Consistent with Rule 1.8(b) and 16.4(b) of the Commission's Rules of Practice and Procedure, I have personal knowledge of the facts and representations within the PFM and the Amended Settlement Terms and, if called upon to testify, could and would do so. To the best of my knowledge, information, and belief, formed after reasonable inquiry, I believe the

**DECLARATION OF MICHAEL K. BUSHEY IN SUPPORT OF SOUTHERN  
CALIFORNIA EDISON COMPANY'S PETITION FOR MODIFICATION OF  
D.19-04-010**

facts as stated in the PFM, and herein, are true as stated and that the proposed modifications to D.19-04-010 are warranted.

I declare under penalty of perjury that the foregoing statements are true to the best of my knowledge, information, and belief.

Executed this 12<sup>th</sup> day of August, 2020, at Westminster, California.

DocuSigned by:  
*Michael Bushey*  
0561L8UL1C18429...

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Michael K. Bushey

**DECLARATION OF DAVID PHILLIPS IN SUPPORT OF SOUTHERN  
CALIFORNIA EDISON COMPANY'S PETITION FOR MODIFICATION OF  
D.19-04-010**

I, David Phillips, declare and state:

1. I am the Associate Vice President, Energy & Sustainability for the University of California (UC) Office of the President. In this position, I provide strategic leadership for energy and sustainability initiatives across UC, which includes ten campuses, five medical centers, and three national labs. My team and I help connect researchers, students, and operations staff to integrate sustainable energy practices in support of UC's mission of teaching, research and public service.

2. In my current position, I am responsible for the oversight of UC's participation the Clean Energy Optimization Pilot (CEOP) that was approved May 1, 2019, with the Commission's issuance of D.19-04-010, *Decision Approving the Clean Energy Optimization Pilot and Adopting the Parties' Joint Settlement Agreement*, in proceeding A.18-05-015.

3. I previously submitted testimony in support of SCE's Application seeking support of the CEOP in A.18-05-015 and I had responsibility for reviewing and approving the Amended Settlement Terms that are the basis for SCE's current petition for modification (PFM).

4. The impacts of COVID-19 were an unforeseen major disruption to UC's participation in the CEOP. On May 8, 2020, I met with the Settling Parties to discuss the impacts of COVID-19 on UC's facilities and campuses. UC agrees that the changes in the use of campus facilities (i.e., non-normal operations) due to COVID-19 warranted changes to the original Settlement as approved by D.19-04-010.

5. Consistent with Rule 1.8(b) and 16.4(b) of the Commission's Rules of Practice and Procedure, I have personal knowledge of the facts and representations within the PFM and the Amended Settlement Terms and, if called upon to testify, could and would do so. To the best of my knowledge, information, and belief, formed after reasonable inquiry, I believe the facts as stated in the PFM, and herein, are true as stated and that the proposed modifications to D.19-04-010 are warranted.

I declare under penalty of perjury that the foregoing statements are true to the best of my knowledge, information, and belief.

Executed this 12 day of August, 2020, at Oakland, California.



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David Phillips

**DECLARATION OF AARON KLEMM IN SUPPORT OF SOUTHERN  
CALIFORNIA EDISON COMPANY'S PETITION FOR MODIFICATION OF  
D.19-04-010**

I, Aaron Klemm, declare and state:

1. I am the Chief of Energy, Sustainability and Transportation for the Capital Planning, Design and Construction department of the Office of the Chancellor for the California State University (CSU). In this position, I provide oversight and guidance to campus energy supply, energy demand management, distributed energy resources, GHG emissions reductions and sustainability efforts in alignment with the CSU Board of Trustees' 2014 Sustainability Policy and related guidelines.
2. I have over 20 years of experience in energy management and sustainability. In my current position, I am responsible for the oversight of CSU's participation in the Clean Energy Optimization Pilot (CEOP) that was approved May 1, 2019, with the Commission's issuance of D.19-04-010, *Decision Approving the Clean Energy Optimization Pilot and Adopting the Parties' Joint Settlement Agreement*, in proceeding A.18-05-015.
3. I previously submitted testimony in support of SCE's Application seeking support of the CEOP in A.18-05-015, and I had responsibility for reviewing and approving the Amended Settlement Terms that are the basis for SCE's current petition for modification (PFM).
4. The impacts of COVID-19 were an unforeseen major disruption to CSU's participation in the CEOP. On May 8, 2020, I met with the Settling Parties to discuss the impacts of COVID-19 on CSU's facilities and campuses. CSU agrees that changes in the use of campus facilities (i.e., non-normal operations) due to COVID-19 warranted changes to the original Settlement as approved by D.19-04-010.
5. Consistent with Rule 1.8(b) and 16.4(b) of the Commission's Rules of Practice and Procedure, I have personal knowledge of the facts and representations within the PFM and the Amended Settlement Terms and, if called upon to testify, could and would do so. To the best of my knowledge, information, and belief, formed after reasonable inquiry, I believe the facts as stated in the PFM, and herein, are true as stated and that the proposed modifications to D.19-04-010 are warranted.

I declare under penalty of perjury that the foregoing statements are true to the best of my knowledge, information, and belief.

Executed this \_\_\_ day of August, 2020, at Long Beach, California.

Aug 13, 2020



Aaron Klemm (Aug 13, 2020 15:03 PDT)

Aaron Klemm